

AMENDED IN ASSEMBLY APRIL 24, 2014

AMENDED IN ASSEMBLY MARCH 26, 2014

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 1918

Introduced by Assembly Member Williams

February 19, 2014

An act to add Section 25402.12 to the Public Resources Code, and to add Section 381.3 to the Public Utilities Code, relating to central heating and air cooling equipment.

LEGISLATIVE COUNSEL'S DIGEST

AB 1918, as amended, Williams. ~~Central heating and air cooling equipment.~~ *Energy: design and construction standards.*

Existing law requires the State Energy Resources Conservation and Development Commission to prescribe, by regulation, building design and construction standards and energy and water conservation design standards for new residential and nonresidential buildings. ~~Existing law requires the State Energy Resources Conservation and Development Commission to prescribe, by regulation, standards for minimum levels of operating efficiency to promote the use of energy and water efficient appliances whose use requires a significant amount of energy or water on a statewide basis. Existing law requires that the minimum levels of operating efficiency be based on feasible and attainable efficiencies or feasible improved efficiencies that will reduce the energy or water consumption growth rates. Existing law prohibits a new appliance manufactured on or after the effective date of the standards to be sold or offered for sale in the state unless it is certified by the manufacturer to be in compliance with the standards.~~

This bill would require the State Energy Resources Conservation and Development Commission to ~~develop a system to track central heating and air cooling equipment sales and installations in the state. identify and implement methods to simplify processes and procedures related to compliance with the above described standards.~~

Under existing law, the Public Utilities Commission has regulatory authority over public utilities, as defined.

This bill would require the ~~commission~~, *Public Utilities Commission*, in an existing proceeding, to establish, by January 1, 2016, an incentive program for contractors and local governments to improve the verification of building code compliance and acceptance of central heating and air cooling equipment following installation.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. The Legislature finds and declares all of the
- 2 following:
- 3 (a) California's building energy efficiency standards are
- 4 recognized as leading the nation in energy savings. They are an
- 5 important component of the state's programs to manage its energy
- 6 consumption, conserve natural resources, and improve the quality
- 7 of life for all its citizens.
- 8 (b) Heating and cooling buildings is one of the largest electricity
- 9 end uses in the state and is also the single largest contributor to
- 10 peak electricity demand, comprising up to 30 percent of total
- 11 demand in the hot summer months.
- 12 (c) In the 2008 Strategic Plan to Reduce the Energy Impact of
- 13 Air Conditioners, the State Energy Resources Conservation and
- 14 Development Commission identified that a heating, ventilation,
- 15 and air conditioning system (HVAC) can increase energy use by
- 16 20 or 30 percent if it is poorly installed regardless of its efficiency
- 17 rating.
- 18 (d) Permits are required for the replacement of heating and
- 19 cooling equipment and a code official must verify installation in
- 20 compliance with the building energy efficiency standards. The
- 21 effectiveness of the building energy efficiency standards is
- 22 dependent upon the conscientious efforts of licensed contractors
- 23 in California to follow these permitting requirements to build

1 buildings and install components and equipment in compliance
2 with the standards which deliver cost-effective energy savings to
3 consumers.

4 ~~(e) However, the State Energy Resources Conservation and~~
5 ~~Development Commission estimates that less than 10 percent of~~
6 ~~replacement HVAC work is performed with the proper building~~
7 ~~permits. This underground activity denies state and local~~
8 ~~governments license and building permit revenue and diminishes~~
9 ~~the ability of state and local agencies to provide enforcement~~
10 ~~services intended to protect consumers. These practices particularly~~
11 ~~damage and diminish the potential for conscientious compliance~~
12 ~~with the building energy efficiency standards, as these illegal~~
13 ~~installations undermine those who attempt to comply with the law~~
14 ~~by following the permitting requirements.~~

15 ~~(f) These violations result in a substantial financial loss to~~
16 ~~consumers who purchase energy efficiency goods and services,~~
17 ~~and represent unfair competition that dramatically impacts the~~
18 ~~economic viability of legitimate businesses. It is critical for~~
19 ~~California to maintain a business climate favorable to legitimate~~
20 ~~competition, so that conscientious contractors, manufacturers,~~
21 ~~distributors, retailers, home energy rating system raters, and other~~
22 ~~businesses are able to sustain their businesses against unfair~~
23 ~~competition.~~

24 ~~(g)~~
25 ~~(e) California building codes are updated regularly, necessitating~~
26 ~~more training and education for building officials performing~~
27 ~~permitting, plan checking, and inspections. Providing this education~~
28 ~~in tandem with incentives for beyond-code performance will~~
29 ~~motivate both local building departments and contractors to~~
30 ~~prioritize energy efficiency performance in their day-to-day~~
31 ~~operations.~~

32 ~~(h)~~
33 ~~(f) In an effort to increase permitted activity, some local~~
34 ~~jurisdictions have adopted practices that make it easier to obtain~~
35 ~~permits or have implemented pilot programs to educate and train~~
36 ~~local building staff. It is in California's best interest to facilitate~~
37 ~~the adoption of demonstrated best practices for local building~~
38 ~~departments across the state to undertake to maximize compliance~~
39 ~~with building codes.~~

SEC. 2. Section 25402.12 is added to the Public Resources Code, to read:

25402.12. The commission, in consultation with the Contractors' State License Board, local building officials, and other stakeholders, shall ~~develop a system to track central heating and air cooling equipment sales and installations in the state. Any system developed by the commission shall be adopted by regulation following one or more public hearings. identify and implement methods to simplify processes and procedures related to compliance with standards established pursuant to subdivision (a) or (b) of Section 25402.~~

SEC. 3. Section 381.3 is added to the Public Utilities Code, to read:

381.3. By January 1, 2016, the commission, in an existing proceeding, shall establish an incentive program for contractors and local governments to improve the verification of building code compliance and acceptance of central heating and air cooling equipment following installation. The incentives may include, but are not limited to, all of the following:

(a) ~~Funding~~ Additional funding, as necessary, for training and certification programs for central heating and air cooling equipment installers, local government building officials, *contractors*, *builders*, and school building inspectors licensed through the Division of the State Architect.

(b) Technical and financial support to establish performance protocols necessary to verify performance compliance of central heating and air cooling equipment.

(c) Financial or other support to assist local agencies in offsetting costs associated with employing innovative approaches to reduce barriers in the permitting process for heating and cooling equipment, for example, expediting the permitting process and measures to achieve greater compliance with state and local building permit requirements.